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East Asia & Pacific

Pacific Labor Mobility:

The Benefits, Concerns, and Opportunities

How do workers from the Pacific feel about participating in labor mobility programs in Australia and New Zealand? What are the benefits of these migration schemes, and do they outweigh other impacts? The World Bank has spent the past three years reviewing policies, conducting interviews of those directly involved in the schemes, and analyzing collected data.

The result? The most comprehensive set of independent research on contemporary Pacific labor mobility, featured over four reports.

Why is Labor Mobility Important to Pacific Nations?

Pacific Island countries face unique challenges due to their geographical dispersion, distance to markets, small populations, and susceptibility to natural disasters and climate change. With young populations and rising unemployment exacerbated by the COVID-19 pandemic, socioeconomic pressures on these nations have been intensifying.

In this context, labor mobility has become an important source of income and employment for many Pacific Islanders – as well as a crucial tool for adaptation and managing climate-related shocks.

Each year, thousands of Pacific Islanders find employment through the Recognised Seasonal Employers scheme in New Zealand and the Pacific Australia Labour Mobility scheme. The economic gains from these programs have been well documented. They include providing job opportunities, supporting livelihoods, cushioning households against income shocks, and boosting economic growth, but they also present some challenges.

What are the Concerns Surrounding Labor Mobility Programs?

In recent years, as these labor mobility schemes have rapidly expanded, there has been debate about the adverse impacts they have on sending households and countries. Some have raised concerns about the pressures of workers being away from their families for extended periods, worker exploitation in host countries, and the loss of skilled labor (or 'brain drain') back home.

There are also issues related to recruitment processes that disadvantage those who live in remote communities and barriers that prevent women's participation.

How is the World Bank Supporting Research in the Pacific?

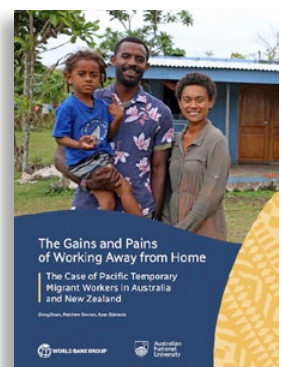
This is a critical moment for labor migration in the region, as sending and receiving countries consider what policy shifts, if any, might be needed to address concerns. What has been lacking from the recent debate about these schemes is comprehensive research and data from an independent third party. In light of this, the World Bank has released a series of new reports that include groundbreaking evidence – as well as the voices of workers, employers, labor-sending families, non-sending families, and community representatives.

The results not only have the potential to challenge some popular misconceptions, but show that the benefits of these programs, as perceived by the workers themselves, currently outweigh concerns.

About Our Reports



The Gains and Pains of Working Away from Home: The Case of Pacific Temporary Migrant Workers in Australia and New Zealand is a joint report by the Development Policy Centre at the Australian National University and the World Bank that documents rich findings from the first wave of the Pacific Labour Mobility Survey. Based on opinions and information reported by those directly involved in the schemes, the report updates prior evidence and reveals interesting new facts – some of which overturn popular misperceptions.



Key Findings

- Overall, the labor mobility schemes have brought net positive impacts, both economic and social, to workers, their households, and communities
- **Most workers are very satisfied with their experience** in host countries, and the schemes are widely perceived as beneficial by both participating and non-participating households
- Participants earn significantly more than what they would at home – **between three and four times for Tongan workers** and **up to nine to 10 times for ni-Vanuatu**. On average, close to 60 percent of their earnings can be saved and sent home
- Participation generally strengthens family relationships, empowers women, and shifts gender-related norms. About four in five surveyed workers report improvements in their relationships with their children, and two-thirds report improved marital relationships

- Yet several issues need to be addressed: worker dissatisfaction – often related to earnings not meeting expectations and excessive or untransparent salary deductions; worker demand for portability and flexibility; and pressures on families associated with the absence of workers.

✓ Key Recommendations

- **Expand opportunities:** Governments could consider introducing a scheme in New Zealand that is equivalent to the Pacific Labour Scheme; limiting or removing specified work requirement for Working Holiday Maker backpacker visas in Australia; monitoring employer demand in both countries; expanding opportunities for women; diversifying participation amongst labor-sending countries; and encouraging labor-sending countries to look beyond the main schemes in Australia and New Zealand.
- **Boost worker welfare:** Recipient countries could consider addressing dissatisfaction with salary deductions; making it easier for workers to change employers; and improving health insurance arrangements.
- **Prioritize data, transparency, and learning:** The reports suggest conducting regular surveys of workers and employers; making data publicly available; and establishing a centralized worker contact database.



Improving Outcomes of Pacific Labor Mobility for Women, Families, and Communities: Insights from Kiribati, Tonga, and Vanuatu is a comprehensive qualitative study conducted in 2021 that sheds light on the social and gender dimensions of labor mobility. The study featured approximately **450 in-depth interviews** with temporary migrant workers, their families, communities, and employers. It offers valuable insights into the lives of Pacific workers abroad, with direct quotes from participants on issues that are of concern to them. It is the only large-scale qualitative study to examine the gendered and social impacts of participation across all three labor mobility schemes (the Seasonal Worker Programme, the Recognised Seasonal Employer Scheme, and the Pacific Labour Scheme).



🔍 Key Findings

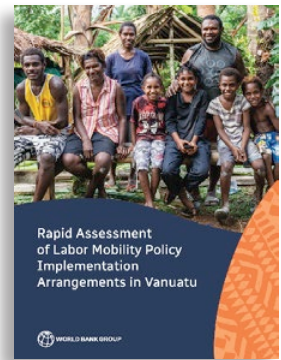
- **Workers experienced improved living standards**, enabling them to support their children's education, fund home improvements, start businesses, and acquire assets.
- **Female participants gained self-esteem, confidence, decision-making power**, as well as more opportunities to take on leadership roles in the community.
- **There are concerns about social impacts on family members of sending households, complex recruitment processes, issues with literacy, and inadequate health insurance coverage.** In relation to women's participation, barriers include the need for approval from family members, institutional constraints, as well as community attitudes that are rooted in traditional gender roles.

✓ Key Recommendations

- **Increase women's participation in seasonal work programs:** Provide gender-specific program information, address gender bias in hiring, and conduct community-level awareness campaigns.
- **Improve the experience of seasonal workers:** Provide separate accommodation facilities, assisting with access to health care, allow workers to move between locations, and address workplace harassment.
- **Minimize the adverse effects of seasonal migration while maximizing development impact:** This could include helping to prepare family members for separation, linking remittances with financial literacy training, fostering communication between workers and their families, and providing gender-friendly business development services.



Rapid Assessment of Labor Mobility Policy Implementation Arrangements in Vanuatu is an independent review of Vanuatu's involvement in labor mobility. It assesses existing policies and agreements to provide insights and ideas to improve labor mobility for the Government of Vanuatu to consider.



Key Findings

- There are fears that the current recruitment system lacks effective regulation to protect ni-Vanuatu migrants.
- Most women, the disadvantaged, and people who live in remote/rural areas are missing out on the opportunity to participate in labor mobility programs.
- The pre-departure process, which is based in Port Vila, can be inefficient, time-consuming, and costly for workers.
- There are some negative immediate and longer-term effects of workers going abroad for extended periods, including migrants being separated from their families and 'brain drain'.
- Some migrants do not have enough protection when abroad. They face issues such as unexpected deductions from their wages, poor living conditions, and 'bad' employers, encouraging some ni-Vanuatu workers to break their contracts.
- There is no catalog of Vanuatu's labor mobility concerns and little systemic data to show the severity of the problems that have been identified, although several studies are ongoing.

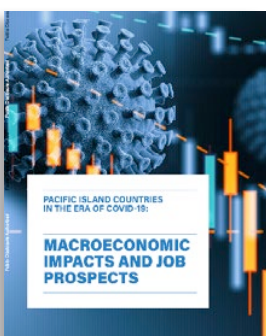


Key Recommendations the Government of Vanuatu may Consider

- Make incremental adjustments to Vanuatu's labor mobility system rather than disruptive changes that could sharply reduce migrant worker deployment.
- Strengthen the current system by giving priority and benefits to those who adhere to regulations. Incentives to meet regulations should be matched with penalties, such as blacklisting recruiters and employers who violate labor mobility regulations. Association meetings could be used as a forum for employers, recruiters, and governments to identify and resolve issues.
- Use incentives and subsidies to steer recruitment to particular workers (e.g., women) and areas (e.g., rural) rather than trying to block the exit of specific workers.
- Create one-stop shops for exit procedures to decentralize processing and visa issuance. Introduce other steps to reduce the costs and time involved in pre-departure procedures.
- Establish a robust M&E system to collect data on migration and its effects, including surveys of returned workers. There should also be an assessment conducted of future demand for ni-Vanuatu workers in Australia and New Zealand.



Pacific Labor Mobility, Migration, and Remittances in times of COVID-19 detailed the impacts of COVID-19 on employment, remittances, international labor mobility, and livelihoods across the region. Completed in 2021, the research relied on a series of phone surveys of temporary migrant workers, prospective workers who had opportunities disrupted by the pandemic, households in sending countries, and employers. These were undertaken in Australia, Fiji, Kiribati, New Zealand, Samoa, Tonga, Timor-Leste, and Vanuatu.



A complementary report, **Pacific Island Countries in the Era of COVID-19: Macroeconomic Impacts and Job Prospects**, provided insights and suggestions as to how the Pacific may benefit from changing employment trends and other opportunities in the wake of the pandemic.